



# MANAGEMENT REPORT

# 2022

# MANAGEMENT REPORT

ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

## GENERAL COMMENTS

### **Definitions**

In this annual financial report, except where otherwise indicated:

- The terms "**Company**" or "**HAULOTTE GROUP**" refer to **HAULOTTE GROUP**, a French public limited company (Société Anonyme) with capital of €4,078,265.62 whose registered office is located on rue Emile Zola, 42420 Lorette, France, registered in the Saint-Etienne Trade and Companies Register under No. 332 822 485.
- The term "**Group**" refers to the Company and all companies consolidated by the latter.

### **Forward-looking statements**

This annual financial report also includes forward-looking information about the Group's objectives and development priorities. These forward-looking statements are sometimes identified by the use of the future or conditional tense or forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "intends," "may," "will" or "should" or variations thereof or other comparable terminology. It should be noted that these objectives and development forecasts do not represent historical data and as such should not be interpreted as providing assurance that the facts and data presented will occur, that the assumptions will be confirmed and the objectives reached. They represent objectives that by nature might not be achieved, and the information presented in this annual financial report may prove to be erroneous without the Group being subject, in any manner whatsoever, to an obligation to update these statements, subject to applicable regulations, particularly the AMF (*Autorité des Marchés Financiers*) General Regulations.

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## RESPONSIBILITY FOR THE ENGLISH VERSION OF ANNUAL FINANCIAL REPORT

### ***Person making the responsibility statement***

In accordance with article L.451-1-2 of the French monetary and financial code, we inform you that the person responsible for the annual financial report is Mr. Alexandre Saubot, Deputy Chief Executive Officer of Haulotte Group.

Responsibility statement

Lorette, 28 April 2023

"I declare that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable financial reporting standards and provide a true and fair view of the assets and liabilities, financial position and results of the operations of the Company and the Group formed by the companies included in the consolidated financial statements, and that the management report for the period, included herewith, presents business trends, the results and financial position of the company and consolidated operations and a description of the main risks and uncertainties."



Alexandre Saubot

Deputy CEO

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### PART 1: ECONOMIC INFORMATION

#### 1 - REVIEW OF OPERATIONS AND RESULTS FOR THE YEAR UNDER REVIEW

Haulotte Group ranks among the worldwide leaders in the market for self-propelled aerial work platforms both as a manufacturer of the main equipment categories (telescopic booms, articulating booms, scissor lifts, vertical masts) and as a distributor on five continents.

*The figures below do not include the application of IAS 29, hyperinflation in Turkey and Argentina, or changes at constant exchange rates.*

Over the entire year, the global aerial work platform market confirmed the clear rebound observed in 2021 and reached its highest ever level in 2022, driven by all geographical areas. In this context, Haulotte generated revenue of €609.7 million in 2022, compared to €495.8 million in 2021, i.e. an +18% increase between the two periods.

In Europe, the Group recorded a global sales growth of +12% compared to the previous year, penalized by the sharp decline in the Russian market.

In the Asia-Pacific region, Haulotte recorded a solid sales performance and an excellent 4th quarter, resulting in a +38% rise in annual sales compared to 2021.

In North America, the growth observed for several half-years in all its activities continued, enabling Haulotte to record a +15% increase in annual revenue. Aerial work platform business has accelerated strongly in the last quarter, to reach an annual sales growth of +10%.

In Latin America, in a market well oriented in all countries, Haulotte recorded +26% growth in total sales, driven mainly by Brazil.

The financial year ended 31 December 2022, submitted for approval to the ordinary general meeting, is the Company's thirty-eighth year of operations since its creation.

#### 2 - PROGRESS MADE OR DIFFICULTIES ENCOUNTERED

In a global market which reached its highest level in 2022, growing in all areas, the Group faced ongoing component supply issues, an increase in energy and transport costs and serious disruptions to logistics chains throughout the year, all consequences of the health crisis and the Ukrainian conflict. However, the end of the year showed signs of improvement in maritime transport (containers), and in some materials indexes (steel).

To support the strong increase in its activity and to preserve its agility in the face of several operational disruptions, as described above, on June, 28, the Group obtained, from all the lenders of its syndicated loan, as well as the BPI France *Prêt Garanti par l'Etat* (State Guaranteed Loan), an amount of € 96 million. This specifically supported the Group's decision to increase production rates so as to be able to meet the high increase in the order book. However, in the complex operational context described above, this resulted in a significant increase in stock levels.

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### 3 - PRESENTATION OF PARENT COMPANY FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES – RESULTS OF OPERATIONS THE COMPANY

#### 3.1 Presentation of parent company financial statements

Highlights of the parent company financial statements of **HAULOTTE GROUP SA** for the financial year ended 31 December 2022 are presented below (in € thousands):

<b>RESULTS</b> <b>€ thousands</b>	<b>FY 2022</b>	<b>FY 2021</b>	<b>CHANGE (%)</b>
REVENUE	246 666	210,616	17 %
OPERATING PROFIT	(40 886)	(22,190)	-84%
NET FINANCIAL INCOME	95 276	(5,373)	
EXTRAORDINARY PROFIT	(3 995)	(132)	
NET PROFIT (LOSS)	54 211	(23,874)	

Please refer to the notes to the annual financial statements for all additional explanations.

#### 3.2 Changes in the presentation of the annual accounts or methods of valuation, applied in prior years

We inform you that the annual financial statements were prepared according to the same presentation and methods used in prior periods, with the exception of the point on the treatment of development costs mentioned in paragraph 2.1 of Note 2 to the annexes of the company accounts.

Changes in accounting methods are presented in the summary of significant accounting policies in Note 2 to the separate annual financial statements.

#### 3.3 Analysis of parent company results

Despite a +17% increase in business over the year 2022, the operating profit settled at €(41) million compared to €(22) million the year before. This was mainly due to a decrease in margins, impacted by supply chain difficulties and higher component prices. The company recorded €99 million in income after payment of dividends by some of its subsidiaries. The net financial income amounted to €95 million, compared to €(5) million in 2021.

In light of the above, FY2022 net income stood at €54 million, compared to a loss of €(24) million the previous year.

As required by article R.225-102 of the French Code of Commerce, this report includes a table summarising the results of the Company over the last five years.

### 4 - COMPREHENSIVE ANALYSIS OF THE COMPANY'S REVENUE, EARNINGS AND FINANCIAL POSITION, AND PARTICULARLY DEBT WITH RESPECT TO THE VOLUME AND COMPLEXITY OF BUSINESS ACTIVITY

Please refer to paragraphs 1, 2 and 3 above and 6.2 and 7 below.

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### 5 - ANALYSIS OF KEY INDICATORS OF A FINANCIAL AND NON-FINANCIAL NATURE RELATING TO THE COMPANY'S SPECIFIC BUSINESS, AND IN PARTICULAR INFORMATION RELATING TO ENVIRONMENTAL AND STAFF ISSUES

Please refer to above to paragraphs 1, 2 and 3 and section 5 below in this report, as well as the Company's Non-Financial Statement.

### 6 - KEY RISKS AND UNCERTAINTIES – THE COMPANY'S EXPOSURE TO RISKS CONCERNING PRICE, CREDIT, LIQUIDITY AND CAPITAL RESOURCES – INFORMATION ON MARKET RISKS

In accordance with the provisions of article L225-100-1 of the French Code of Commerce, a description of key risks and uncertainties facing the Company is presented below.

#### 6.1 Key risks and uncertainties:

Because the company uses several components in its production, the sourcing capacities from its suppliers constitute a primary risk. To prevent risks of supply chain disruptions, the strategy of diversifying suppliers, widely adopted for a number of years, must be continued. For several years, the credit situation of suppliers considered to represent greater risk has been monitored and specific measures have been taken to ensure that the industrial model remains constantly in sync with market demand.

Market risk is the second significant risk factor. On that basis, visibility has improved though caution continues to be necessary, against the backdrop of a global environment marked by continuing uncertainties. The highlights of the consolidated statement show a clearer picture of the 2022 business context.

Another significant risk is the sensitivity of sales to credit restrictions in financial markets. HAULOTTE GROUP proposes financing solutions to its customers either through a financing entity or, for a non-significant percentage of sales, direct financing, while maintaining receivable risks at a reasonable level.

#### 6.2 The Company's exposure to risks concerning price, credit, liquidity and capital resources

Please refer to note 5 of the consolidated financial statements.

### 7 - USE OF FINANCIAL INSTRUMENTS - COMPANY FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY

The Company does not systematically hedge interest rate and foreign exchange risk.

However, transactions are carried out according to market opportunities. In such cases, they are destined to cover existing assets or liabilities and not for speculative purposes.



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### 8 - FORSEEABLE CHANGES IN THE COMPANY'S SITUATION AND OUTLOOK

Buoyed by a historic order intake, the observed decrease in supply tensions, and higher sales prices, Haulotte Group SA foresees a growth in sales of over +63% in 2023 and the operating income should be close to breakeven.

### 9 - IMPORTANT POST-CLOSING EVENTS BETWEEN THE END OF THE FINANCIAL PERIOD AND THE DATE OF THE MANAGEMENT REPORT

The post-closing events are detailed in Note 3 of the Annexes to the company accounts.

### 10 - RESEARCH AND DEVELOPMENT OF THE COMPANY

The Company's research and development efforts continued in the period.

2022 stood out for the launch of new models:

- In April: Haulotte entered the Low Level Access market with five models designed for working under 6 meters! Compact and lightweight, they are perfectly suited to cluttered spaces and the most fragile ground surfaces. These work platforms significantly improve the productivity and work conditions of operators, and are a safe and efficient alternative to ladders and derivatives.
- In June: Haulotte renewed one of its main product ranges—the Compact electric scissor lift range—with five new models entirely redesigned to guarantee maximum availability, increased security and easier maintenance. They comply with Group quality standards and meet all requirements for working at heights of 8 to 14 meters on all types of flat, stabilized ground surfaces.

Simultaneously, the company continued its CSR actions, extending its research into optimizing its energy mix that can be applied to its products, particularly as concerns fuel cells.

In this context, a partnership contract with Bouygues Energies & Services was signed in June 2022. This agreement will enable the testing of an aerial work platform equipped with a fuel cell system in real conditions on several of these public works sites throughout 2023. Through this partnership, the Group wishes to pool the expertise of the manufacturer and the operational operator. This collaboration is designed to expand the range of low-carbon electrified equipment.

In the medium term, R&D will be focused on enabling the acceleration and launch of new low-carbon, more digitalized machines.

Research and development expenditure amounted to €14,172,000 in 2022.

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### II - BREAKDOWN OF TRADE PAYABLES AND RECEIVABLES OF THE COMPANY BY MATURITY

In accordance with the provisions of articles L.441-14, paragraph 1 of the French Code of Commerce, an aged trial breakdown of trade receivables and payables is provided below for the financial year ended 31 December 2022.

Trade payables	Article D.441 I.-1* of the French Code of Commerce: Invoices received unpaid at the end of the reporting period in arrears					
	0 days	1 to 30 days	31 to 60 days	61 to 90 days	> 90 days	Total
<b>(A) Portion in arrears</b>						
Number of invoices concerned						993
Total amount of invoices concerned including VAT		313 348	66 491	277	39 737	419 853
% of total amount of purchases for the period incl. VAT		0,11%	0,02%	0,00%	0,01%	277 188 831
<b>(B) Invoices excluded from (A) relating to disputed receivables and subsidiaries</b>						
Number of supplier invoices paid at the beginning of January						642
Number of disputed supplier invoices						1 352
Total number of subsidiary invoices involving a current account-related payables						340
Number of supplier invoices paid at the beginning of January						3 330 515
Amount of disputed invoices						7 456 687
Amount of subsidiary invoices involving a current account-related payable						2 306 561
<b>(C) Reference payment terms used (contractual or legal terms - article L.441-6 or L.443-1 of the French Code of Commerce)</b>						
Payment terms used to calculate payment delays						Legal terms: 60 Days

Accounts Receivable	Article D.441 I.-2*: Invoices issued and unpaid at the end of the reporting period in arrears					
	0 days	1 to 30 days	31 to 60 days	61 to 90 days	> 90 days	Total
<b>(A) Portion in arrears</b>						
Number of invoices concerned						299
Total amount of invoices concerned including VAT		1 106 100	153 876	216 167	184 785	1 660 928
% of Revenue for the period excl. VAT		0,45%	0,06%	0,09%	0,07%	246 665 874
<b>(B) Invoices excluded from (A) relating to disputed receivables and subsidiaries</b>						
Number of disputed customer invoices						135
Total number of subsidiary invoices involving a current account-related receivable						5 852
Amount of doubtful customer invoices incl. VAT						1 152 764
Amount of subsidiary invoices involving a current account-related receivable incl. VAT						60 944 832
<b>(C) Reference payment terms used (contractual or legal terms - article L.441-6 or L.443-1 of the French Code of Commerce)</b>						
Payment terms used to calculate payment delays						Legal terms: 60 Days

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### 12 - INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES ADOPTED BY THE COMPANY AND IN PARTICULAR THOSE RELATING TO THE PREPARATION AND PROCESSING OF FINANCIAL AND ACCOUNTING INFORMATION

#### A. Objectives of the Company in the areas of internal control and risk management procedures

The purpose of internal control procedures in force in the company is to ensure that management and operating practices, as well as employee behaviour, adhere to the framework defined by the guidelines set out for Company activities by governing bodies, applicable laws and regulations, and the values, standards and internal rules of the Company, to verify that the accounting, financial and management information provided to the Company's corporate governance bodies fairly reflect the operation and situation of the Company and its subsidiaries.

One of the objectives of internal control is to prevent and manage the risks arising from the business operations of the company and its subsidiaries and the risk of error or fraud, in particular in the accounting and financial areas (operating, financial, compliance or other risks).

As with any control system, it is not possible to provide an absolute guarantee that these risks have been completely eliminated.

#### B. Summary of procedures in place

##### a) General organisation for internal control and risk management procedures at the Company level

Each department at the head office and in subsidiaries is responsible for implementing and monitoring internal control procedures.

These internal control procedures are placed under the responsibility of the Group Finance Department and the Secretariat General, which draw up the procedures, promote their application and ensure their consistency and proper functioning. A core body of written internal procedures is available for consultation on the Company's intranet.

Accordingly, the different participants in the internal control process within the Company include:

- the Finance and Information Systems Division (including Internal Control, Management Control, Haulotte Financial Services, Consolidation and Reporting, Group Accounting and Information Systems),
- the Secretariat General (including the Legal and Human Resources Departments),
- the Industrial Division (including the Quality and Operational Excellence Department).

In 2021, an internal audit committee was set up within the Company, consisting of employees from the different operational departments: project management department, operational excellence department, risk department, legal department, information systems department and consolidation & reporting department.

Over the year 2022, this group worked on the following elements during about twenty meetings:

- Follow-up and update of the company's risk assessment, which began in 2021
- Identification of risks requiring vigilance and specific actions:
  - Asset management
  - Information system security
  - Prevention of professional risks
  - Talent management

This committee reports to two COMEX members: the Finance Director and the Secretary General. The Company's audit committee is informed of the steps taken and the conclusions reached.

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### b) Presentation of summarised internal control and risk management procedures adopted by the Company

#### *Internal control within the Group*

The Group's internal control is placed under the responsibility of the Executive Committee (COMEX).

It extends to all Group subsidiaries and concerns the entire organisation (administrative, accounting and financial, functional and operational processes).

Main missions include:

- Ensuring that risks are controlled and managed
- Implementing internal procedures and contributing to improvement thereof
- Implementing a continuous improvement approach

#### **Finance Division:**

The Finance Division draws up written procedures covering the main subjects and financial flows within the Group. These procedures are disseminated to all financial contacts at the head office and subsidiaries, and updated on a regular basis.

The Finance Division includes the following departments:

- **Management Control Department:**

This department includes two units :

- an industrial management control unit represented at each production site, and by a dedicated team at headquarters for R&D, purchasing and quality functions,
- a management control unit for distribution subsidiaries, spearheaded from the head office, ensuring financial oversight for the Group's different distribution and service subsidiaries in coordination with the regional financial controllers.

In addition, the regional financial controller acts as an intermediary between the Group and the controller for each subsidiary in its region. This division ensures management control for the support and equipment rental business functions.

These teams contribute to implementing the internal control procedures by:

- ensuring the security of assets, particularly through inventory procedures,
- ensuring and assisting in the dissemination of the Group's accounting and management rules,
- ensuring that expenditures are incurred in accordance with the budget set out at the beginning of each period and within the framework of the rules for incurring expenses and delegations of authority defined by the Group.

- **Haulotte Financial Services:**

This department is responsible for the following activities:

- cash management,
- management of banking relations and bank balancing transactions, management of multi-currency cash positions,
- credit management.

Missions include:

- ensuring that the principles set out for managing customer credit risk are properly applied, and controlling the exposure of the Group's main customers. To this end, it monitors accounts receivable developments for all subsidiaries, controls the levels of outstanding balances and reconciles the cash budget with outstanding trade receivables of subsidiaries,
- organising collection, monitoring outstanding financing amounts and consolidating all Group financial commitments.

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### • Consolidation and Reporting Department :

This department is responsible for producing the consolidated annual and interim financial accounts and the corresponding financial communications as well as monthly reporting.

This department assists the local financial managers in applying financial reporting procedures in accordance with IFRS. It also conducts a number of visits to the subsidiaries to ensure these procedures are applied.

### • Group Accounting Department:

This department is responsible for accounting for Haulotte Group SA. It is also responsible for coordinating and managing the transfer pricing policy at the Group level.

### • Information Systems department:

To face the new challenges of digital technology, Haulotte's IT department has been engaged, since 2019, in a modernization process for its IS.

At the request of the business lines, the IT department develops IT solutions to meet operational needs. To do this, it follows its own project management process to ensure the quality and integrity of the developments made. Once the solutions have been implemented, the IT Department maintains the solutions in place, by providing the support requested by users and upgrades related to new needs.

Nearly forty projects are managed per year, and 20,000 user incidents and requests for evolution are handled every year.

New digital evolutions in companies, and the importance of the stakes resulting from it since a few years, lead the group's ISD to emphasize two well identified components:

- the company's DATA generated by the whole of the systems (its generation, its quality, its storage, its safety);
- and the cyber resilience of our organization (capacity to recover from a cyber attack, implementation of a business continuity process and resumption of activity, crisis management cell).

### **Secretariat General:**

#### • Group Legal Division

The company's Legal Division operates at many levels within the company and assists the various departments in managing their projects, in terms of partnership development (drafting and analysing contracts, drawing up standard documents, etc.), advising operational staff (R&D, intellectual property, sales departments, etc.), managing disputes and monitoring the legal status of the Group's companies.

The Legal Division, which positions itself as a real business partner within the company, participates in several internal working groups, including:

- "Safety Committees": held on a regular basis (every two months, or whenever necessary), these meetings bring together all parties concerned by effective management of technical and legal monitoring initiatives regarding incidents and accidents known to the Group and involving one of our products.
- "Intellectual Property (IP) Committees", which regularly bring together the Secretariat General, the Marketing Department and the Group Intellectual Property Manager. These periodic meetings provide a mechanism for monitoring filings and intellectual property disputes for the Group as a whole. They also serve as a means to notify different participants of the existence of prior rights.

Several internal communications actions are implemented by the Legal Division in collaboration with the Finance and Communications teams and the IT Services department, in order to inform and alert employees about the risks of fraud for social engineering and how to combat the latter. In this regard, the Legal Division is the formal contact point for the Authorities in the event of fraud or attempted fraud (Police, ISDG, etc.).

More broadly, the Legal Division collaborates with all departments concerned with legal matters and provides its support to all divisions within the Company.

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Lastly, the Legal Division regularly participates in meetings organised by Middlednext, providing a forum for exchange and discussion of legislative and regulatory developments concerning listed companies and new obligations to be met by the Company. It also participates in working meetings organised by the trade associations of its industry sector (FIM, EVOLIS).

### • Human Resources Department

The Human Resources Department has a central support service (recruitment, training, wages and personnel administration). Furthermore, a Human Resources Manager is present on each of our sites and works closely with the director of the establishment on all HR issues, including occupational health and safety.

A QSE policy, applied in all Group entities, sets out Management's various commitments in terms of occupational health and safety.

A safety committee, led by the Europe HRD, meets regularly throughout the year to discuss the various safety indicators (number of accidents, frequency and severity) and best practice in terms of prevention.

A "safety challenge" agreement aimed at enhancing prevention of work-related accidents was renewed in 2022 and will be renewed again in 2023.

Regarding recruitment and human resources management, the Human Resources department complies with the "Ten Golden Rules and Management Group", which sets out the fundamental regulatory principles applicable to employees of all Group entities.

Country reviews take place regularly with all the distribution subsidiaries and industrial sites, with a view to strengthening links and encouraging exchanges among teams. They also provide an opportunity to discuss relations between employees and management at each site. The country review also serves to allow each subsidiary to present its organisational structure, operating procedures and Key Performance Indicators for different departments.

Lastly, the Human Resources Department uses a forward-looking employment and skills management tool (Foederis), which has been rolled out in all Group companies.

### **Industrial Division**

The Chief Quality and Operational Excellence Officer determines and implements the quality strategy, determines the applicable frames of reference (system, ISO, procedures, etc.) and manages a continuous improvement approach at every level of the Company.

The programme known as "Yello", established in April 2020 and deployed at Group level in 2021, continued during the 2022 financial year. In addition to the eighty (80) already existing maturity grids, new grids were produced. Each department is then responsible for putting an action plan in place to improve their maturity level and their performance level.

In order to give the keys to all pilots and sponsors of the program, training efforts, initiated in 2021, have continued into 2022. Also, numerous training sessions were initiated in FY 2022:

- A two-day training session was conducted internally for all members of the Industrial Committee (consisting of the C.O.O and its team members).
- Certification training on the driving methodology was launched, at the end of which six (6) pilots were awarded "Green Belt" certification.
- The first in-house training on VA/NVA analysis was launched and held in Le Creusot for 15 employees from different departments (assembly, methods & industrialization, painting, human resources, the local "Yello" manager, as well as the plant manager).

Lastly, the Chief Quality and Operational Excellence Officer is a member of the internal audit group whose mission is to map and define the Group's internal risks, and to propose a suitable audit program.

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### c) Risks associated with producing financial and accounting information

The Reporting & Consolidation Department is responsible for producing the interim and annual consolidated financial statements, under the oversight of the Group Finance Department and Executive Management.

This department ensures the quality of the monthly accounting closings for the different Group companies, managed, according to the case, by local accounting departments or chartered accountants for small size subsidiaries, and their restatement according to applicable IFRS standards.

Consistent application of Group accounting principles is ensured by this same department, which is also responsible for monitoring changes in standards.

The most important accounting principles, and namely those which may have a material impact on the Group's accounts, are documented and distributed to all subsidiaries. These concern standards for recognising financing transactions, revenue recognition, the impairment or non-collection of trade receivables, provisions for inventories, rules for the depreciation and amortisation of fixed assets.

In accordance with local regulations, financial and accounting information is verified by local auditors. The Group's joint statutory auditors review the consolidated financial statements with the assistance of local auditors or undertake their own audit assignments if necessary.

In the final phase, financial and accounting information is approved by the Board of Directors for the first six-month period and annually, after being presented to the Board of Directors convened in the capacity of Audit Committee.

The Board of Directors also fulfils the functions of the Audit Committee. It ensures the efficacy of the internal control and risk management systems for financial areas, in addition to monitoring the process for producing financial information. It reports on its mission to the Board of Directors.

The entire process for producing and processing financial and accounting information described above contributes to managing and limiting risks in this area.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

### 13 - SUMMARY OF DEALINGS IN THE PERIOD ENDED IN OWN SHARES BY EXECUTIVES AND PARTIES MENTIONED IN ARTICLE L.621-18-2 OF THE FRENCH MONETARY AND FINANCIAL CODE

In accordance with article L.621-18-2 of the French Monetary and Financial code and articles 223-23 and 223-26 of the General Regulation of the AMF (*Autorité des Marchés Financiers*), the Company was not informed of any transactions covered by article 19 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse for the period ended 31 December 2022.

Parties concerned	Type of transaction	Transaction number	Month of transaction	Volume	Unit price in euros
SOLEM SAS Legal entity linked to Mr. Alexandre Saubot, (Deputy Chief Executive Officer)	Acquisition	1	November 2022	1,894	2.8014
SOLEM SAS Legal entity linked to Mr. Alexandre Saubot, (Deputy Chief Executive Officer)	Acquisition	1	November 2022	3,316	2.8567
SOLEM SAS Legal entity linked to Mr. Alexandre Saubot, (Deputy Chief Executive Officer)	Acquisition	1	November 2022	5,323	2.9221
SOLEM SAS Legal entity linked to Mr. Alexandre Saubot, (Deputy Chief Executive Officer)	Acquisition	1	November 2022	495	2.9600
SOLEM SAS Legal entity linked to Mr. Alexandre Saubot, (Deputy Chief Executive Officer)	Acquisition	1	November 2022	10,811	2.9598



# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

### 14 - PRESENTATION OF THE BOARD OF DIRECTORS' ANNUAL REVIEW ON REGULATED AGREEMENTS REMAINING IN FORCE AND ITS FINDINGS

In accordance with proposition No. 4.8 of AMF recommendation 2012-05, we hereby inform you of the conclusions of the Board of Directors' meeting of 22 March 2023 regarding its annual review of regulated agreements in accordance with article L. 225-40-1 of the French Code of Commerce entered into and authorised in prior periods and remaining in force in the period ended 31 December 2022.

The Board of Directors reviewed these regulated agreements at its meeting of 22 March 2023. After determining that these agreements continued to meet the criteria providing the basis for their initial authorisation, this authorisation was unanimously maintained by the Board.

Please refer to the Auditors' special report on agreements and commitments referred to in Article L. 225-38 of the French Code of Commerce.

In addition, please refer to Note 43 to the consolidated financial statements for the period ended 31 December 2022 on related-party transactions.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

### 15 - INFORMATION ON DEALINGS BY THE COMPANY IN ITS OWN SHARES

The Company's ordinary and extraordinary general meeting of 24 May 2022 granted authority to the Board of Directors, which it may in turn delegate in accordance with applicable laws, for a period of eighteen months as from the date of the general meeting, to acquire or cause to be acquired shares of the Company in accordance with the provisions of articles L.22-10-62 et seq. of the French Code of Commerce.

In accordance with article L.225-211, paragraph 2 of the French Code of Commerce, we inform you that in the financial year ended 31 December 2022, information on trading by the Company in its shares is provided below:

<b>Number of shares purchased in FY2022</b>	<b>163 588</b>
Average purchase price of own shares in FY2022	3.77
Execution fees	N/A
Number of shares sold in the period	149 179
Average sale price of own shares in the period	3.76
Number of shares cancelled in the period	0
Number of treasury shares recorded in the name of the Company at 31 December 2022	1 876 529
Percentage of treasury shares held at 31 December 2022	5,98%
Net carrying value of treasury shares at 31 December 2022	6 497 928.46
Nominal value of treasury shares at 31 December 2022	243 949
Market value of treasury shares at 31 December 2022 (share price of €3.47 on that date)	6 511 556

The breakdown according to purpose for the use of own shares at 31 December 2022 was as follows:

<b>Purposes of share buy-backs</b>	<b>Number of shares</b>
Ensuring the liquidity of the Company's shares through a liquidity agreement entered into with an investment services provider, in compliance with a code of conduct recognised by the AMF ( <i>Autorité des Marchés Financiers</i> ), the French financial market regulator, and the market practices permitted by the same	178 124
Meeting the obligations resulting from stock option programs or other share grants to employees or directors or executives of the Company or affiliated companies	0
Meeting the obligations arising from debt securities exchangeable into ownership interest	0
Holding the shares for subsequent remittance to be tendered in payment or exchange in connection with possible acquisitions, spin-offs or contributions in accordance with market practices permitted by the AMF	1.629.558
Cancelling all or part of the shares thus acquired	68.847
<b>TOTAL</b>	<b>1.876.529</b>

No shares of the Company were reallocated for other purposes or objectives.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

### PART 2: INFORMATION ON SUBSIDIARIES AND ASSOCIATES

#### 1 - OPERATIONS OF SUBSIDIARIES AND CONTROLLED COMPANIES

In accordance with the provisions of article L.233-6 paragraph 2 of the French Code of Commerce, we hereby report to you on the operations and results of the Company and the subsidiaries that it controls by business division.

At year-end, HAULOTTE GROUP exercised controlling interests in 32 subsidiaries. The results of these subsidiaries are summarised below (€ thousands):

Subsidiary	Percentage of holding	2022 revenue in € thousands	2021 revenue in € thousands	2022 net profit (loss) in € thousands	2021 net profit (loss) in € thousands
HAULOTTE FRANCE. SARL.	99.99%	104 819	72 450	3 535	3 394
TELESCOPELLE SAS	100.00%	113	116	69	69
HAULOTTE ACCESS EQUIPMENT MANUFACTURING (CHANGZHOU) CO. Ltd.	100.00%	60 188	42 017	- 2 408	1 090
HAULOTTE ARGENTINA SA	100.00%	8 284	8 826	- 678	484
HAULOTTE ARGES SRL	100.00%	133 511	88 229	1 801	4 278
HAULOTTE AUSTRALIA Pty Ltd	100.00%	72 837	46 669	1 338	- 214
HAULOTTE DO BRAZIL Ltda	99.98%	15 385	10 132	2 679	- 2 236
HAULOTTE HUBARBEITSBUHNEN GmbH	100.00%	46 235	40 292	1 716	2 216
HAULOTTE IBERICA S.L.	98.71%	31 728	30 532	2 294	2 895
HAULOTTE ITALIA S.r.l.	99.00%	34 005	33 561	2 789	2 195
HAULOTTE MEXICO SA DE CV (2)	99.99%	6 328	5 882	- 82	237
HAULOTTE MIDDLE EAST FZE	100.00%	2 793	2 994	116	- 82
HAULOTTE NETHERLANDS B.V	100.00%	32 327	24 003	1 001	1 167
HAULOTTE POLSKA SP ZOO	100.00%	14 446	10 973	1 006	745
HAULOTTE SCANDINAVIA AB	100.00%	21 805	14 620	546	1 203
HAULOTTE SINGAPORE Ltd	100.00%	19 388	11 248	- 21	8
HAULOTTE TRADING (SHANGHAI) CO LTD	100.00%	17 426	16 268	6 334	- 2 974
HAULOTTE UK Ltd	100.00%	20 557	16 530	985	1 049
HAULOTTE US Inc	100.00%	88 541	72 949	- 371	- 2 727
HAULOTTE VOSTOK OOO	100.00%	4 455	31 608	- 273	1 729
HORIZON HIGH REACH LIMITED	100.00%	7 858	5 687	176	861
LEVANOR MAQUINARIA DE ELEVACION SA	91.00%	- 0	- 0	- 40	- 35
MUNDIELEVACAO, ALUGER E TRANSPORTE DE PLATAFORMAS LDA	90% by LEVANOR	- 0	- 0	- 0	918
EQUIPRO / BIL-JAX (1)	100% by HAULOTTE US Inc.	43 769	30 897	- 2 398	454
Haulotte North America Manufacturing LLC.	100% by BIL-JAX	47 523	37 264	- 5 651	- 728
HAULOTTE CHILE SPA	100.00%	4 102	3 767	657	131
HORIZON HIGH REACH CHILE SPA	100.00%	2 113	2 382	- 288	- 1 468
HAULOTTE INDIA PRIVATE LTD	100.00%	5	8	14	33
ACARLAR DIS TICARET VE MAKINA SANAYI A.S.	100.00%	9 366	6 329	1 818	1 339
HAULOTTE DIGITAL SUPPORT CENTER	100.00%	- 11	- 9	- 10	- 95
HAULOTTE JAPAN	100.00%	2	- 0	21	27
HAULOTTE CANADA	100.00%	- 0	- 0	- 0	- 0

We inform you that Haulotte Services France, a company 100% owned by Haulotte France, is the subject of a universal transmission of assets to the benefit of Haulotte France with retroactive effect at 1 January 2022.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

### 2 - ACQUISITIONS OF SHAREHOLDINGS OR CONTROLLING INTERESTS

In accordance with articles L.233-6 paragraph 1 and L.247-1, I-1° of the French Code of Commerce, we hereby inform you that the Company has not acquired any holdings in the period under review in any other company having its registered office in France representing more than one twentieth, one tenth, one fifth, one third, one half or two thirds of the capital or voting rights of the company or acquiring a controlling interest in such company, must notify the Company.

### 3 - DISPOSALS OF SHAREHOLDINGS RELATED TO ADJUSTMENTS OF CROSS-SHAREHOLDINGS

In accordance with article R.233-19, paragraph 2 of the French Code of Commerce, we inform you that the Company has not divested any shares for the purpose of eliminating cross-shareholdings prohibited by articles L.233-29 and L.233-30 of the French Code of Commerce.

### 4 - OWN SHARES HELD THROUGH CONTROLLED COMPANIES

In accordance with article L.233-13 of the French Code of Commerce, we inform you that no company directly or indirectly controlled by the Company holds own shares.

### 5 - LIST OF EXISTING BRANCH OFFICES

In compliance with article L.232-1, II of the French Code of Commerce, the list of branch offices as of today is disclosed below:

Address	City
La Péronnière	L'Horme (42)
Quartier Serve Bourdon	Lorette (42)
Rue d'Harfleur	Le Creusot (71)
104 rue de Courcelles	Reims (51)

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

### PART 3: INFORMATION ON CAPITAL HOLDINGS

#### 1 - CHANGES IN THE COMPANY'S SHARE CAPITAL DURING THE PERIOD

None.

#### 2 - IDENTITY OF HOLDERS OF SIGNIFICANT SHAREHOLDINGS

In accordance with the provisions of article L 233-13 of the French Code of Commerce and based on the information and notifications received pursuant to articles L.233-7 and L.233-12 of the French Code of Commerce, the identity of shareholders directly or indirectly owning over 5%, 10%, 15%, 20%, 25%, 30%, 33%, 50%, 66%, 90% or 95% of the share capital or voting rights on the closing date, i.e. at 31 December 2022, and any modifications made in the period, are disclosed below:

Thresholds	Name of the shareholder	Percentage of holding	
		Capital	Voting rights
5% to 10%			
10% to 15%			
15% to 20%			
20% to 25%			
25% to 33% 1/3			
33% 1/3 to 50%			
50% to 66% 2/3	SOLEM SAS <sup>1</sup>	57.57%	
66% 2/3 to 90%			75.01 %
90% to 95%			
More than 95%			

By email dated 18 March 2022, Animal Gestion (103 rue de Grenelle, 75007 Paris), reported having crossed above the threshold of 2% of HAULOTTE GROUP's capital on 17 March 2022 and holds 589,000 shares representing 1.89% of the company's capital and 1.21% of voting rights in the company.

By letter dated 9 June 2022, the Caisse des Dépôts et Consignations (56 rue de Lille, 75356 Paris 07 SP) reported having crossed below the statutory threshold of 2% of the HAULOTTE GROUP's voting rights, indirectly through CDC Croissance, and holds 627,150 shares representing 1.99% of capital and 1.28% of voting rights in the company, indirectly through CDC Croissance.

#### 3 - EMPLOYEE STOCK OWNERSHIP

In accordance with the provisions of article L.225-102 of the French Code of Commerce, we hereby inform you that no shares making up the Company's share capital were held by employees of the Company or by employees of affiliated companies within the meaning of article L.225-180 as part of a company savings plan provided for by articles L3332-1 -1 et seq. of the French labour code, and by employees and former employees in connection with a company savings plan (Plan d'Epargne d'Entreprise) governed by articles L.214-164 et seq. of the French Monetary and Financial Code.

Also taken into account are registered shares held directly by employees as a result of a free allocation, as part of the company's profit-sharing scheme (Article L 3324-10 of the French Labor Code) or as part of other schemes (share ownership plans, privatizations, etc.).

#### 4 - STOCK OPTIONS TO SUBSCRIBE FOR NEW SHARES OR PURCHASE EXISTING SHARES AND ALLOCATION OF FREE SHARES

None

<sup>1</sup> Based on a share capital made up of 31,371,274 shares representing 48,705,785 theoretical voting rights.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

### 5 - INFORMATION ON THE COMPANY'S SHARE

At 31 December 2022, the Company's share capital was comprised of 31,371,274 shares. The market capitalisation at 31 December 2022 was €109 million.

The volume of transactions during the financial year is as follows:

Date	High (price)	High (date)	Low (price)	Low (date)	Closing price	Average price (opening)	Average price (closing)	Trading volume (number of shares)	Capital (€m)	Number of trading sessions
Jan.-22	5,640	18/01/2022	4,790	03/01/2022	5,140	5,261	5,254	270 351	1,42	21
Feb.-22	5,360	02/02/2022	4,300	28/02/2022	4,335	5,036	4,983	373 032	1,80	20
Mar.-22	4,570	09/03/2022	3,970	15/03/2022	4,130	4,246	4,238	425 824	1,79	23
Apr.-22	4,180	01/04/2022	3,640	08/04/2022	3,825	3,979	3,925	293 024	1,15	19
May.-22	4,340	31/05/2022	3,745	09/05/2022	4,170	3,926	3,921	193 374	0,78	22
Jun.-22	4,580	09/06/2022	3,600	16/06/2022	3,905	4,040	4,001	362 300	1,48	22
Jul.-22	3,985	05/07/2022	3,235	28/07/2022	3,450	3,558	3,535	530 974	1,84	21
Aug.-22	3,640	16/08/2022	3,320	30/08/2022	3,340	3,466	3,457	192 226	0,67	23
Sep. -22	3,400	06/09/2022	2,650	28/09/2022	2,665	2,969	2,933	399 582	1,18	22
Oct.-22	2,920	19/10/2022	2,625	05/10/2022	2,755	2,727	2,729	231 582	0,64	21
Nov.-22	3,530	29/11/2022	2,750	01/11/2022	3,430	3,129	3,157	222 401	0,72	22
Dec. -22	3,600	28/12/2022	3,340	02/12/2022	3,465	3,459	3,467	122 843	0,43	21

During the past financial year, the highest level reached by the Haulotte Group share was €5.64 (on 18 January 2022), while the lowest was €2.625 (on 5 October 2022).

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

### PART 4: TAX INFORMATION

#### 1 - SUMPTUARY EXPENSES AND DISALLOWED DEDUCTIONS

In compliance with the provisions of article 223, point 4 of the French general tax code, we hereby inform you that the accounts for the past financial year include non-deductible expenses of €128,921, in accordance with article 39-4 of the French general tax code and on that basis the corresponding theoretical tax is €43,003 based on a theoretical tax rate of 25%.

#### 2 - DIVIDENDS DISTRIBUTED BY THE COMPANY IN THE LAST THREE FINANCIAL YEARS

As required by article 243(a) of the French general tax code, information on dividends paid for the last three financial years is disclosed below:

	<b>Dividends distributed (excl. treasury shares)</b>	<b>Distributed amount eligible for the reduction provided for under article 158-3-2 of the French general tax code.</b>	<b>Distributed amount not eligible for the reduction provided for under article 158-3-2 of the French general tax code.</b>
Financial year ended 31 December 2021	6.488.295.44€	6.488.295.44€	None
Financial year ended 31 December 2020	None	None	None
Financial year ended 31 December 2019	€6,493,979.58	€6,493,979.58	None

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

### PART 5: GROUP MANAGEMENT REPORT

In accordance with the provisions of articles L.233-16 and L.225-100-1 of the French Code of Commerce, we hereby report to you on the management of the Group for the period ended 31 December 2022.

#### 1 - PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

Companies included in the scope of consolidation are listed in paragraph 1 of section 2 of this report. The situation of these companies is described in paragraph 1 of part 1 and in the table contained in paragraph 1 of part 2 of this report.

The Group's financial statements at 31 December 2022 have been prepared in accordance with IFRS standards as adopted by the European Union.

#### 2 - CHANGES IN THE PRESENTATION OF THE ANNUAL ACCOUNTS OR METHODS OF VALUATION APPLIED IN PRIOR YEARS

No changes were made in the presentation of the consolidated financial statements or methods of valuation applied in prior years. Changes in accounting methods are presented in the summary of significant accounting policies in Note 3 to the consolidated financial statements.

#### 3 - REVIEW OF OPERATIONS AND RESULTS OF THE GROUP FOR THE YEAR UNDER REVIEW:

For the full year 2022, the global work platform market confirmed the sharp rebound observed in 2021 and reached its highest level ever, driven by all geographic regions. Against this backdrop, Group sales were up from the previous year.

For the year as a whole, the Group posted negative operating income, impacted by the significant rise in the price of components, transport and energy, as well as the increase in fixed costs, in a more inflationary global environment. At the same time, these increases were only partially offset by volume growth limited by component shortages and the measured impact of higher sales prices.



# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

### 4 - COMPREHENSIVE OBJECTIVE ANALYSIS OF REVENUE, EARNINGS AND FINANCIAL POSITION OF CONSOLIDATED OPERATIONS, AND PARTICULARLY DEBT WITH RESPECT TO THE VOLUME AND COMPLEXITY OF THEIR BUSINESS ACTIVITY.

Group results for the financial year break down as follows:

	In € millions	FY 2022	FY 2021
Excluding IAS 29 & IFRS 16	Revenue	609,7	495,8
	Current operating income	(4,9)	16,6
	Operating profit	(6,4)	11,4
	Profit before tax	(12,1)	13,8
	<b>NET INCOME OF CONSOLIDATED COMPANIES</b>	<b>(17.5)</b>	<b>5.8</b>
	Net profit attributable to owners of the Group	<b>(15.2)</b>	<b>8.1</b>

The changes and amounts commented on below exclude the application of IAS 29 (hyperinflation in Argentina and Turkey) and IFRS 16 (leases). Changes are presented at constant exchange rates.

For the full year 2022, the global nacelle market confirmed the clear rebound observed in 2021 and reached its highest level ever, driven by all geographical areas. In this context, Group sales reached €609.7 million in 2022, compared with €495.8 million the previous year, representing an increase of +18% between the two years.

In line with the first half of the year, the Group posted a current operating income of €(4.9) million (before foreign exchange gains and losses), or -0.8% of 2022 revenue, down by €(21.5) million compared with 2021. The significant increase in the price of components, transport costs and energy for nearly €(48) million, as well as the €(14.7) million increase in fixed costs linked to the structuring of China and the United States, in a more inflationary global environment, have weighed heavily on this. At the same time, these increases were only partially offset by volume growth limited by component shortages and the measured impact of the increase in sales prices, due to the depth and history of the order intake.

In the end, net income was €(17.5) million in 2022, with the second half of the year marked by an unfavorable foreign exchange context (mainly the US dollar), with the Group recording foreign exchange losses of €(2.9) million for the year, compared with gains of €6.7 million in 2021.

In this unprecedented context of strong business growth and multiple operational disruptions, Haulotte's net debt (excluding guarantees) increased by +€105.1 million to €246 million, mainly due to a +€92.3 million increase in working capital requirements, mainly linked to the increase in inventory levels decided by the Group in order to support the increase in production rates and to be in a position to meet the strong growth in order intakes.

As a reminder, on 28 June 2022, Haulotte obtained a €96 million State Guaranteed Loan from all of the lenders of its syndicated loan as well as from BPI France. In addition, a waiver request concerning the respect of the ratios for the period of December 2022 was submitted to all the lenders and unanimously and unconditionally accepted on 23 December 2022.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

### 5 - DESCRIPTION OF THE MAIN RISKS AND UNCERTAINTIES FOR THE COMPANY'S SUBSIDIARIES

The main risks and significant uncertainties that could have a significant impact on the Group identified at 31 December 2022 relate on the one hand to market risk and the foreign exchange environment in which the Group operates and, on the other hand, items relating to its liquidity situation.

In Europe, the Group recorded an overall sales growth of +12%\* compared to last year, penalized by the strong decline of the Russian market. In Asia-Pacific, Haulotte achieved a solid commercial performance, and an excellent 4th quarter, to finally post an annual sales increase of +38%\* compared to 2021. In North America, the progression observed for several half-years on all business continued, allowing Haulotte to record an annual sales increase of +15%\*. Work platform business sharply increased during the last quarter, reaching an annual growth in sales of +10%\*. In Latin America, in a market that was well oriented in all countries, Haulotte posted a +26%\* growth in cumulative sales, driven mainly by Brazil. In 2022, equipment sales increased by +19%\*, and rental activity by +14%, driven by the rebound in activity in Argentina. Service activities, which reached their highest level ever, grew by +12%\*. The variations presented above are at constant exchange rates and do not include the application of IAS 29 (hyperinflation in Argentina and Turkey).

The Group maintains its policy of centralized foreign exchange management and remains attentive to changes in the currencies of its main markets, which can have a significant impact on its financial performance.

The levels of available cash and open and available credit lines at 31 December 2022, compared with the cash flow forecasts for the first months of 2023, do not call into question the Group's ability to ensure its liquidity. Information on borrowings is provided in note 20 to the consolidated financial statements.

### 6 - THE EXPOSURE OF SUBSIDIARIES TO RISK CONCERNING PRICE, CREDIT, LIQUIDITY AND CAPITAL RESOURCES

The Group exposure is largely limited to credit and liquidity risk.

#### 6.1 Credit risk

The exchange rate (credit) risk is described in note 5 to the consolidated financial statements.

#### 6.2 Liquidity risk

The liquidity risk is described in note 5 to the consolidated financial statements.

### 7 - INFORMATION ABOUT THE USE OF FINANCIAL INSTRUMENTS WHEN THIS IS RELEVANT FOR MEASURING ITS ASSETS, LIABILITIES, FINANCIAL POSITION AND PROFITS OR LOSSES

Financial instruments used by the Group are intended to cover its foreign exchange and interest rate risks.

The Company does not systematically hedge interest rate and foreign exchange risk. Transactions are nevertheless carried out according to market opportunities. However, these transactions are carried out with a view to hedging existing assets or liabilities, and not for speculative purposes. During fiscal year 2022, transactions were carried out in USD (\$). They are presented in note 19 to the Group's consolidated financial statements.

#### 7.1 Exchange rate risk

The exchange rate risk as described in notes 5 and 17 to the consolidated financial statements.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

### 7.2 Interest rate risk

The interest rate risk as described in note 5 to the consolidated financial statements.

### 8 - FORESEEABLE CHANGES IN THE GROUP'S SITUATION AND OUTLOOK

With a historic level of orders in a market which is still buoyant and despite the tensions in the supply chain for specific components, Haulotte expects to grow its sales by more than +20% in 2023.

### 9 - SIGNIFICANT EVENTS BETWEEN THE CLOSING DATE AND THE DATE OF PUBLICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Events which occurred after the closing date are detailed in note 48 of the annexes to the consolidated accounts.

### 10 - RESEARCH AND DEVELOPMENT OF THE GROUP

Research and development have remained an important focus of Group efforts for several years. Innovation processes have been defined as one of the strategic processes of the Group.

The objective of this process is to propose new products or renew existing lines addressing the needs of its customers. Paragraph 10 of section 1 provides detailed information on the most important achievements of the period concerning Haulotte Group S.A.. R&D expenditures were also incurred for the Group's other plants. Research and development expenditures by the Group in the period amounted to €17,853,000.

### 11 - INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES ADOPTED BY THE CONSOLIDATED COMPANIES AND IN PARTICULAR THOSE RELATING TO THE PREPARATION AND PROCESSING OF FINANCIAL AND ACCOUNTING INFORMATION

Please refer to paragraph 12 of Part 1 of this report.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

### APPENDIX 1 - FIVE-YEAR FINANCIAL SUMMARY

Closing date	31/12/2022	31/12/2021	31/12/2020	31/12/2019	31/12/20187
Length of the financial year (months)	12	12	12	12	12
<b>SHARE CAPITAL AT YEAR-END</b>					
<b>Common stock</b>	<b>4 078 266</b>	<b>4 078 266</b>	<b>4 078 266</b>	<b>4 078 266</b>	<b>4 078 266</b>
Number of shares					
- ordinary shares	31 371 274	31 371 274	31 371 274	31 371 277	31 371 274
- treasury shares:	1 876 529	1 862 120	1 839 251	1 853 642	1 836 567
- dividend-right shares	29 494 745	29 509 154	29 532 023	29 517 635	29 534 707
Maximum number of future shares to be created					
- from the conversion of bonds					
- from subscription rights					
<b>OPERATIONS AND RESULTS</b>					
<b>Sales ex-VAT</b>	<b>246 665 874</b>	<b>210 615 586</b>	<b>186 552 400</b>	<b>286 256 556</b>	<b>279 519 047</b>
Profit before income tax, profit-sharing, depreciation and provisions	62 654 410	- 5 874 712	-18 772 589	12 275 616	-4 400 505
<b>Corporate income tax</b>	<b>- 3 815 987</b>	<b>- 3 821 087</b>	<b>-3 130 979</b>	<b>-3 791 511</b>	<b>-2 908 722</b>
Employee profit-sharing					
Allowances and Reversals of depreciation, amortisation and provisions, expense reclassifications	12 259 727	21 820 373	15 655 902	19 296 382	4 870 294
<b>Net income</b>	<b>54 210 671</b>	<b>- 23 873 999</b>	<b>-31 297 512</b>	<b>-3 229 255</b>	<b>-6 362 077</b>
<b>Distributed profit</b>		<b>6 492 014</b>		<b>6 493 980</b>	<b>6 495 638</b>
<b>EARNINGS PER SHARE</b>					
Profit after income tax, profit-sharing, and before depreciation, amortisation and provisions	2,12	- 0,07	- 0,50	0,51	- 0,05
Profit after income tax, profit-sharing, depreciation, amortisation and provisions	1,73	- 0,76	- 1,00	- 0,10	- 0,20
Distributed dividends		0,22		0,22	0,22
<b>PERSONNEL</b>					
<b>Average number of employees for the financial year</b>	<b>621</b>	<b>651</b>	<b>675,95</b>	<b>676</b>	<b>643</b>
<b>Total payroll</b>	<b>30 647 518</b>	<b>29 533 343</b>	<b>28 538 810</b>	<b>31 091 823</b>	<b>27 776 208</b>
<b>Benefits paid (social security, welfare benefits, etc.)</b>	<b>12 922 576</b>	<b>12 814 904</b>	<b>12 257 418</b>	<b>13 145 674</b>	<b>13 247 689</b>

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

### APPENDIX 2 - BOARD OF DIRECTORS' REPORT ON CORPORATE GOVERNANCE

Dear shareholders,

In accordance with the provisions of the last paragraph of article L. 225-37 of the French Code of Commerce, we hereby present in this report on corporate governance, the disclosure required by regulations in force and notably those of articles L. 225-37-4 and L22-10-8 of the French Code of Commerce.

The terms of this report were prepared and adopted by the Board of Directors on 22 March 2023.

#### 1 - CORPORATE GOVERNANCE

In accordance with the provisions of article L.22-10-10 of the French Code of Commerce, we hereby report to you on:

- the composition and conditions for preparing and organising the Board's work;
- the reasons justifying the absence of a diversity policy applied to members of the Board of Directors as well as information on how the Company seeks to achieve balanced gender representation on the Management Committee established by executive management for the purpose of regularly assisting the performance of its general missions and results in terms of gender diversity for the 10% category of senior positions;
- limitations on the powers of the Chief Executive Officer that may exist;
- in the event that the provisions of the Middlednext Code of corporate governance to which the Company refers would have been set aside, the reasons for this;
- special procedures for the participation of shareholders in general meetings or provisions of the articles of association providing for such procedures; and
- description of the procedures put in place by the Company in application of article L.22-10-12 and its implementation.

#### 1.1 Composition of the Board of Directors and the diversity policy applied to its members

##### 1.1.1 Choice of the Middlednext Corporate Governance Code

The Company has decided to refer to the Middlednext Code of December 2009 and last revised in September 2021 as its reference for corporate governance in accordance with the provisions of article L.22-10-10, 4 of the French Code of Commerce. The Company considered that this code was best suited to its size and shareholder structure.

This code can be consulted on the Middlednext website ([www.middlednext.com](http://www.middlednext.com)).

In accordance with the Middlednext Code recommendation 22 revised in September 2021, the Board of Directors duly noted on 22 March 2023 the specific items calling for vigilance listed therein.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

### 1.1.2 Composition of the Board of Directors

The composition of the Company's Board of Directors on the date of the report<sup>1</sup> herein includes the following seven directors, of which two are independent:

Last name, first name, title or function of the directors	Year of first appointment	Expiration date of office in progress	Independent Director	Audit Committee member
<b>Pierre Saubot</b> <b>Chair of the Board of Directors - Chief Executive Officer</b> <b>Director</b>	1989	At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2023	No	-
<b>Alexandre Saubot</b> <b>Deputy Chief Executive Officer</b> <b>Director</b>	1999	At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2027	No	-
<b>Elisa Savary</b> <b>Director</b>	1998	At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2027	No	Member
<b>Hadrien Saubot</b> <b>Director</b>	2004	At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2027	No	Member
<b>José Monfront</b> <b>Director</b>	2004	At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2027	Yes	Member
<b>Anne Danis-Fatôme</b> <b>Director</b>	2018	At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2023	Yes	Member
<b>Elodie Galko</b> <b>Director</b>	2018	At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2023	Yes	Member

On the date of this report, the Board of Directors has not considered it opportune to implement a diversity policy within the meaning of article L.22-10-10, 2 of the French Code of Commerce, in light of the family composition, reduced size and current operations of the Board. However, it is noted that the Board of Directors has been committed over the last years to open up its membership to figures from the outside contributing a different perspective on the Board's decisions, in particular by appointing independent directors within the meaning of the Middlednext Code recommendation 3.

With respect to the company's efforts to achieve balanced gender representation on the Company's management board, the last recruitment concerned a member of the Executive Committee at the end of 2016 (assumption of duties in February 2017). This recruitment was in line with the Company's goal of increasing the executive Committee's international profile and the membership of women resulting in selection of a specialised firm to that purpose. To date, no woman has applied for this position.

If the recruitment of a new member to the committee should be considered in the future, the Company will endeavour to follow the same policy with respect to expanding its international profile and the membership of women.

With respect to its results in the area of gender diversity for the 10% category of senior positions, women represented 4.92% at 31 December 2022, a decrease of 3.41 points compared to the financial year closed on 31 December 2021.

<sup>1</sup> On 22 March 2023, the Board of Directors unanimously decided to bring before the general meeting of shareholders on 23 May 2023 the appointment of Mr. Bertrand Badré as Company Director.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

### 1.1.3 Application of the principle of balanced gender representation on the Board of Directors

In compliance with articles L.225-18-1 and L.22-10-3 of the French Code of Commerce, we inform you that on the date of the report herein the breakdown of directors by gender is as follows<sup>1</sup>:

- Number of male directors: 4;
- Number of female directors: 3.

### 1.1.4 Independent directors

The notion of independent member adopted is that provided by Recommendation 3 of the Middlednext Code, and namely:

- they must not have been during the last five years an employee or executive officer of the company or a company in its group;
- they must not have had any material business relationship with the company or its group for the last two years (as a client, supplier, competitor, service provider, creditor, banker, etc.);
- they must not be reference shareholders of the Company or hold a significant percentage of voting rights;
- they must not have a close relationship or close family ties with a corporate officer or a reference shareholder;
- they must not have been an auditor of the company in the course of the previous six years.

On 22 March 2023, the Board of Directors re-examined the situation of its membership with respect to these criteria of independence, and decided that three<sup>2</sup> members were independent under the definition of the MiddleNext code: Ms. Anne Danis-Fatôme, Ms. Elodie Galko and Mr. José Monfront.

### 1.1.5 Terms of office

The term of office of members of the Board of Directors is set at six (6) years. This term was considered by the company to be in compliance with Recommendation 11 of the Middlednext Code. To date, the Company has not considered it useful to propose a modification to the articles of association providing for the staggered renewal of the terms of office of directors, in light of its size and membership.

### 1.1.6 Conduct of business rules

In accordance with Recommendation 1 of the Middlednext Code, each member of the Board of Directors is made aware of the obligations arising from his or her appointment and encouraged to adhere to the rules of conduct relating to his or her appointment. At the beginning of their term of office, each director signs the board's internal rules of procedure and undertakes notably to:

- comply with the provisions of statute relating to holding multiple offices,
- comply with applicable regulations,
- inform the Board in the event of a conflict of interest arising following appointment to the office,
- demonstrate diligence in attending meetings of the Board and General Meetings,
- ensure that they possess all necessary information for the agenda of the meetings of the Board before making any decision, and
- comply with, concerning third parties, an absolute obligation of confidentiality exceeding the simple secrecy obligation, as provided for in the legal texts.

On the date of this report, the Chair-CEO and the Deputy CEO have not accepted other directorships in listed companies, including foreign companies, outside the Group.

<sup>1</sup> On 22 March 2023, the Board of Directors unanimously decided to bring before the general meeting of shareholders on 23 May 2023 the appointment of Mr. Bertrand Badré as Company Director.

<sup>2</sup> Mr. Bertrand Badré, whose appointment as Company Director is brought before the general meeting of shareholders on 23 May 2023, is considered independent.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

### 1.1.7 Training for Board Members

Following the new Recommendation 5 added to the Middlednext Code, as revised in September 2021, the Board of Directors decided in their meeting on 8 March 2022 to give some thought to putting a training plan in place for members of the Board of Directors in accordance with said recommendation. The Board of Directors of 22 March 2023 decided to postpone again the question of possibly introducing a three-year training plan for the company, the Board having noted that steps have been taken to find out about the various training courses on offer, but the Board needing more time to gain an overall view of the latter and to decide on the need for such training.

### 1.1.8 Review of known conflicts of interest

In accordance with article 4.3 of the Company's rules of procedure, each director is required to disclose any situation actually or potentially giving the appearance of a conflict of interest between the corporate interest and his or her direct or indirect personal interest or the interest of the shareholder or a group of shareholders he or she represents.

In the event of such situation, the director concerned must:

- inform the Board of Directors as soon as he or she becomes aware of such conflict of interest,
- draw all resulting conclusions regarding the exercise of his or her office. And on this basis, according to the case he or she must:
  - either refrain from participating in the vote on the proceedings in question,
  - or refrain from attending the meeting of the Board of Directors during which the conflict of interest exists,
  - or, as an extreme measure, resign from his or her position as director.

On 22 March 2023, in accordance with Middlednext Code Recommendation 2, the Company's Board of Directors reviewed the known conflicts of interests and no situation of a potential or proven conflict of interest was brought to its attention.

During the meeting on 22 March 2023, the Board of Directors decided not to comply with the new recommendation no. 2 of the Middlednext Code revised in September 2021 on the fact that the latter recommends that services other than the certification of the accounts (except for attestations falling within the scope of due diligence directly related to the statutory auditor's mission and services rendered in application of legal or regulatory texts) be entrusted to a firm other than the company's statutory auditor. This is in view of the nature of the services entrusted to date, their limited nature and the effectiveness of the assignments performed in view of the good knowledge of the Company by its statutory auditors.

### 1.1.9 Choice of members of the Board of Directors

In accordance with Recommendation 10 of the Middlednext Code, when each member of the Board of Directors is appointed or reappointed, information about their experience, expertise and the list of offices exercised is provided in the report presented by the Board of Directors to the general meeting to approve the accounts for the financial year concerned and presenting the draft resolutions submitted for your approval. This information is also made available online on the Company's website. The appointment or renewal of each member of the Board of Directors is subject to a specific resolution.

### 1.1.10 Mission of the Board of Directors

In accordance with article 2 of the Board's Rules of procedure, the Board's missions, in addition to the powers recognised by the law and the articles of association, are as follows:

- Represent all shareholders,
- Issue opinions about all decisions relating to the major strategic, economic, social, financial or technological priorities of the Company and ensure they are implemented by executive management,
- Look at the question of a succession plan for "Executives" and key people,
- Consider proposals calling for an audit or verification by the Chairman or the audit committee,
- Review items calling for vigilance as set out in the Middlednext Code.
- Examine negative minority votes at meetings.



# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

We inform you that during the meeting on 22 March 2023, the Board of Directors introduced an internal procedure for examining negative votes cast by minority shareholders at general meetings, under the terms of which the Board pays particular attention to negative votes by analyzing, among other things, how the majority of minority shareholders expressed themselves, and to consider whether it would be appropriate to change the reasons for the negative votes at the next general meeting and whether a communication should be made in this regard. In accordance with recommendation 14 of the Middlenext Code, the corporate governance report states that this review has taken place. However, the first review will concern the votes relating to the annual general meeting to approve the financial statements for the year ending 31 December 2022.

Said Board meeting also took note of the fact that Recommendation 14 of the Middlenext Code, as revised in September 2021, recommends that executives meet major shareholders who wish to do so before general meetings, while ensuring compliance with equal information between shareholders. However, the Board decided that, for the time being, as was already the case following the revision of said Code in September 2016, it did not wish to put such a procedure in place for systematic meetings with major shareholders for reasons due mainly to the composition of the Company's shareholding.

With regard to the new Recommendation 15 of the Middlenext Code, as revised in September 2021, providing that the Board of Directors checks that a policy aimed at gender balance and equality has been properly implemented at every hierarchical level in the company, it is specified that during the meeting on 8 March 2022, the Board stated that such a procedure is well underway in the company. In fact, a company agreement on the quality of life at work and workplace equality was signed in 2018 and provides several measures promoting workplace equality. For 2022, Haulotte obtained a score of 87/100 in the workplace gender equality index.

### 1.1.11 Evaluation of the Board's work and practices

Following the consideration given, and work conducted, to put in place an evaluation procedure within the Board, in accordance with Recommendation 13 (ex Recommendation 11) of the Middlenext Code, as revised in September 2021, the Board of Directors adopted the following procedure for self-assessment, carried out at the end of each meeting of the Board called to approve the Company's annual accounts.

- a self-assessment questionnaire, prepared by the Company's legal department, which is sent to each director in advance of the Board meeting,
- each questionnaire will be returned to the Legal department following completion in order to prepare a summary of responses on an anonymous basis to be presented to the Board meeting,
- on the basis of this summary, the Board will be asked to consider measures for improvement to be implemented in connection with its work for the period in progress.

Following the most recent questionnaire submitted to the directors during the Board of Directors meeting on 22 March 2023, it appeared that the composition and functioning of the Board of Directors and the Audit Committee are in line with members' expectations.

### 1.1.12 Creation of committees:

In accordance with Recommendation 7 of the Middlenext Code, as revised in September 2021, we hereby report to you on the Company's choice with respect to special committees.

On 22 March 2023, the Board of Directors decided not to comply with the new recommendation no. 8 of the Middlenext Code revised in September 2021 recommending that each Board set up a committee specializing in Corporate Social Responsibility (CSR), as the said Board considered that these issues were already examined internally, in particular through a dedicated committee that had not been formalized. For the time being, the Board has decided not to formalize this committee, as it considers that (i) it would not necessarily be relevant and (ii) it would be complex to modify the composition of this committee, whose members are operational. However, the Board will consider entrusting the chairmanship of the committee to an independent director, in order to comply with recommendation no. 7 of the Middlenext Code as revised in 2021; for the time being, this implies finding a person with expertise in CSR issues.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

### 1.1.12.1 Audit Committee

On 9 March 2011 the Board of Directors decided to create an Audit Committee in accordance with article L.823-20, 4 of the French Code of Commerce for an unlimited period.

The functioning and the attributes of the Company's Audit Committee are described in article 6 of the Company's rules of procedures available for consultation on the Company's website.

### 1.1.12.2 Composition

On the date of this report, the Board of Directors, when it meets for the purpose of exercising the missions of Audit Committee, is comprised of the following five<sup>1</sup> members:

- José Monfront
- Hadrien Saubot
- Elisa Savary
- Anne Danis-Fatôme
- Elodie Galko

### 1.1.12.3 Number of audit committee meetings in the period ended 31 December 2022

The audit committee met four (4) times with an average attendance rate of 91%.

## 1.2 Conditions for preparing and organising the Board of Directors' work

Meetings are conducted and decisions voted according to the conditions of quorum and majority provided for by law and the Company's articles of association.

In accordance with Recommendation 7 of the Middlenext Code in its version of September 2016 (which became Recommendation 9 in the version of said Code of September 2021 in force), the Board of Directors has internal rules of procedures divided into the eight areas covered by this recommendation and available for consultation on the Company's website.

The internal rules of procedures initially adopted by the Board of Directors on 11 March 2009, and subsequently modified by the Board on 9 March 2011, 20 January 2017, 8 March 2022, and recently on 22 March 2023, provide that except for transactions covered by articles L.232-1 and L.233-16 of the French Code of Commerce and, as applicable, by the Company's articles of association, directors who take part in a meeting of the Board through videoconferencing or electronic means allowing for their identification and effective participation are deemed present for determining the quorum and majority.

The means adopted must be capable of permitting the identification of participants and guaranteeing their effective participation.

### 1.2.1 Meeting convening procedures

Directors are called to meetings according to the procedures authorised by article 13 of the Company's articles of association.

In accordance with article L.823-17 of the French Code of Commerce, the statutory auditors were called to the Board meetings that reviewed and adopted the interim and also the annual accounts.

### 1.2.2 Procedures for remitting documents and information required to make decisions

Board members have received in advance of each meeting, all documents and information that are useful for making informed decisions and the performance of their duties

<sup>1</sup> On 22 March 2023, the Board of Directors unanimously decided to bring before the general meeting of shareholders on 23 May 2023 the appointment of Mr. Bertrand Badré as Company Director. This same Board also unanimously decided to appoint Mr. Bertrand Badré as member and chair of the audit committee subject to the condition precedent of his appointment as director by the forthcoming general meeting.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

### 1.2.3 Report on the Board of Directors' activities in the period ended 31 December 2022

The minutes of each meeting are drawn up under the responsibility of the Chair of the Board of Directors and the Deputy CEO. These minutes are transcribed into the record after being signed by the chair of the meeting and one director.

During the period ended 31 December 2022, the Company's Board of Directors met five (5) times, on the dates indicated below.

Meeting dates	Number of directors present or represented	Rate of participation	Main items of business on the agenda
8 March 2022	6	75%	<p>Examination of the conclusions of the Audit Committee meeting of 8 March 2022</p> <p>Review and approval of the separate parent company and consolidated financial statements for the period ended 31 December 2021</p> <p>Proposal for the appropriation of net income for the period ended 31 December 2021</p> <p>Annual review of agreements covered by article L.225-38 et seq. of the French Code of Commerce entered into and authorised in prior periods and remaining in force in the financial year in question</p> <p>Evaluation of agreements relating to current operations and concluded under normal terms and conditions.</p> <p>Review of conflicts of interest known to the Company (R2 Middenext)</p> <p>Review of the independence of members of the Board of Directors (R3 Middenext)</p> <p>Annual review of the Middenext "items calling for vigilance" (R22 Middenext)</p> <p>Evaluation of activities of the Board of Directors (R13 Middenext)</p> <p>Review by the Board of Directors of new recommendations, clarifications to existing recommendations and strengthened recommendations inserted in the Middenext Code as revised in September 2021; update of the Board of Directors' internal rules</p> <p>Annual meeting on the company's policy on workplace and wage equality on the basis of indicators relating to workplace gender equality, as well as the workplace gender equality plan</p> <p>Establishment of the remuneration policy applicable to the Chief Executive Officer, the Deputy Chief Executive Officer and directors for the financial year before closing on 31 December 2022, in application of the new article L.22-10-8 of the French Code of Commerce</p> <p>Review of information relating to remuneration of corporate officers referred to in article L.22-10-9 of the French Code of Commerce</p> <p>Review of the components of remuneration paid or granted for the period ended 31 December 2021 to Messrs. Pierre Saubot and Alexandre Saubot on the basis of their mandates</p> <p>Review of the composition of the Board of Directors</p> <p>Proposal to renew the term of office of director Mr. Alexandre Saubot</p> <p>On the proposal of the Chairman and Chief Executive Officer and subject to the renewal of his term of office at the general meeting, renewal of the term of office of Deputy Chief Executive Officer Mr. Alexandre Saubot</p> <p>Proposal to renew the term of office of director Ms. Elisa Savary</p> <p>Subject to the renewal of her term of office at the general meeting, reappointment of Ms. Elisa Savary as a member of the Audit Committee of the Board of Directors</p> <p>Proposal to renew the term of office of director Mr. Hadrien Saubot</p>

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

Meeting dates	Number of directors present or represented	Rate of participation	Main items of business on the agenda
			<p>Subject to the renewal of his term of office at the general meeting, reappointment of Mr. Hadrien Saubot as a member of the Audit Committee of the Board of Directors</p> <p>Proposal to renew the term of office of director Mr. José Monfront</p> <p>Subject to the renewal of his term of office at the general meeting, reappointment of Mr. José Monfront as a member of the Audit Committee of the Board of Directors</p> <p>Proposal to renew the term of office of director Mr. Michel Bouton</p> <p>Review of Mr. Michel Bouton's term of office as a member of the Audit Committee of the Board of Directors</p> <p>Proposal to reappoint PricewaterhouseCoopers Audit as joint statutory auditor</p> <p>Proposal not to reappoint Mr. Jean-Christophe Georghiou as deputy joint statutory auditor</p> <p>Proposal to modify Article 9 "Transfer and transmission of shares" of the Company's articles of association, to bring it in line with the provisions of Article L.225.38 of the French Code of Commerce</p> <p>Proposal to modify Article 16 "General meetings" of the Company's articles of association, to bring it in line with the provisions of Article R.22-10-28 of the French Code of Commerce</p> <p>Proposal to modify Article 20 "Directors' fees" of the Company's articles of association, to bring it in line with the provisions of Article L.225-45 of the French Code of Commerce</p> <p>Proposal to modify Article 17 "Audit of accounts" of the Company's articles of association, to bring it in line with the provisions of Article L. 823-1, I, paragraph 2 of the French Code of Commerce.</p> <p>Proposal to authorize the Board of Directors to purchase the company's own shares</p> <p>Proposal to authorize the Board of Directors to reduce the share capital by cancellation of shares</p> <p>Proposal of delegation of authority to the Board of Directors to increase share capital by incorporating premiums, reserves, profits or other items</p> <p>Proposal of delegation of authority to the Board of Directors to make the necessary changes to articles to bring them into compliance with legislative and regulatory provisions</p> <p>Review and approval of the management report and the group management report for the financial year ended 31 December 2021</p> <p>Review and approval of the Board of Director's report on company governance</p> <p>Review and approval of management planning documents</p> <p>Review of the achievement as of 31 December 2021 of the performance targets set under the 2018 Bonus Share Plan, as amended in 2020, and powers to the Chairman and Chief Executive Officer or Chief Operating Officer to record, where appropriate, the final allocation of shares</p> <p>Preparation and convening of an ordinary and extraordinary general meeting – Approval of the text of the draft resolutions and of the Board of Directors' report to the general meeting containing the explanatory statement – Powers to the Chairman and Chief Executive Officer and to the Deputy Chief Executive Officer</p> <p>Pursuant to Article R.225-28 of the French Code of Commerce, renewal of the authorization for sureties, endorsements and guarantees</p> <p>Miscellaneous subjects</p>

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

Meeting dates	Number of directors present or represented	Rate of participation	Main items of business on the agenda
6 April 2022	5	71%	Approval of minutes of Board of Directors dated 8 March 2022 Re-examination and approval of the parent company financial statements for the year ending 31 December 2021 Ensuring consistency of the proposed allocation of income for the financial year ended 31 December 2021 Modification of the agenda of the General Meeting of 24 May 2022, modification of the text of the draft resolutions and of the report of the Board of Directors to the General Meeting containing the explanatory statement
24 May 2022	5	71%	Acknowledgement of the definitive nature of the renewal of the term of office of Deputy Chief Executive Officer Mr. Alexandre Saubot Setting the date and terms of payment of the dividend approved by the General Meeting Implementation of the authorization granted to the Board of Directors by the General Meeting for the Company to purchase its own shares Miscellaneous subjects
27 June 2022	5	71%	Authorization to be given to the Deputy Chief Executive Officer to take out a bank loan Miscellaneous subjects
6 September 2022	7	100%	Review and approval of the consolidated half-year financial statements as of 30 June 2022 Preparation of the half-yearly activity report in accordance with article L.451-1-2 III of the French Monetary and Financial Code Preparation of management planning documents in accordance with articles L.232-2, R.232-2 and R.232-3 of the French Code of Commerce Miscellaneous subjects

### 1.3 Restrictions imposed by the Board of Directors on the powers of the Chief Executive Officer

The powers of the Chair and Chief Executive Officer of the Company are not subject to any limits other than those imposed by law.

As such, he is vested with the broadest powers to act in all circumstances in the name of the Company. He exercises his powers within the limits of the corporate purpose and subject to the powers expressly granted to shareholders' meetings and the Board of Directors. He represents the Company in its dealings with third parties.

### 1.4 Shareholders' participation in the shareholders' meetings

In accordance with article L.22-10-10, 5 of the French Code of Commerce, article 16 of the Company's articles of association sets out special procedures for the participation of shareholders in general meetings (copies of the articles of association are available at the Company's registered office and the registrar of the commercial court).

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

### 2 - LIST OF OFFICES AND FUNCTIONS EXERCISED BY EACH CORPORATE OFFICER FOR THE PERIOD ENDED 31 DECEMBER 2022

To comply with the provisions of article L.225-37-4, 1 of the French Code of Commerce, a list of the offices and functions exercised in any company during the period ended 31 December 2022 by each corporate officer is provided below:

Corporate offices concerned:	Offices and functions exercised in the Company	Offices and functions exercised outside the Company
<b>Pierre Saubot</b>	<ul style="list-style-type: none"> <li>- Chair of the Board of Directors</li> <li>- Chief Executive Officer</li> <li>- Director</li> </ul>	<ul style="list-style-type: none"> <li>- General Manager of Solem SAS</li> <li>- Managing Partner of Société Commerciale du Cinquau,</li> <li>- Co-Manager of SCI Lancelot</li> </ul>
<b>Alexandre Saubot</b>	<ul style="list-style-type: none"> <li>- Deputy Chief Executive Officer</li> <li>- Director</li> </ul>	<ul style="list-style-type: none"> <li>- Chair of the Board of Solem SAS,</li> <li>- Representative of Haulotte Group, Chair of Telescopelle SAS,</li> <li>- Managing Partner of Haulotte France SARL,</li> <li>- Managing Partner of Haulotte Services France SARL,</li> <li>- Co-Manager of SCI Lancelot</li> <li>- Director of Haulotte Netherlands BV,</li> <li>- Director of Haulotte Iberica,</li> <li>- Director of Haulotte Scandinavia,</li> <li>- Director of Haulotte Italia,</li> <li>- Manager of Haulotte GmbH,</li> <li>- Director of Haulotte Polska,</li> <li>- Director of Haulotte UK,</li> <li>- Director of Haulotte Australia,</li> <li>- Chair of Haulotte US,</li> <li>- Director of Haulotte Singapore,</li> <li>- Director of Haulotte Arges,</li> <li>- Chair of Haulotte Trading (Shangai) Co. Ltd,</li> <li>- Director of Haulotte Mexico,</li> <li>- Director of Haulotte Middle East,</li> <li>- Representative of Haulotte Group, sole director of Horizon High Reach Limited,</li> <li>- Director of Haulotte India,</li> <li>- Director of Levanor</li> <li>- Director of MundiElevacao</li> <li>- Chair of the Board of Directors of Haulotte Access Equipment Manufacturing (Changzhou),</li> <li>- Chair of the Board of Directors of Acarlar</li> <li>- Chairman-CEO of Haulotte Canada</li> <li>- Managing Director of Haulotte Japan</li> <li>- Director of France Industrie</li> </ul>
<b>Elisa Savary</b>	<ul style="list-style-type: none"> <li>- Director</li> </ul>	<ul style="list-style-type: none"> <li>- None</li> </ul>
<b>Hadrien Saubot</b>	<ul style="list-style-type: none"> <li>- Director</li> </ul>	<ul style="list-style-type: none"> <li>- None</li> </ul>
<b>José Monfront</b>	<ul style="list-style-type: none"> <li>- Director</li> </ul>	<ul style="list-style-type: none"> <li>- Chair of JM Consulting</li> </ul>
<b>Michel Bouton<sup>1</sup></b>	<ul style="list-style-type: none"> <li>- Director</li> </ul>	<ul style="list-style-type: none"> <li>- None</li> </ul>
<b>Anne Danis-Fatôme</b>	<ul style="list-style-type: none"> <li>- Director</li> </ul>	<ul style="list-style-type: none"> <li>- University professor and Chair of the Private Law department at Paris Nanterre University</li> </ul>
<b>Elodie Galko</b>	<ul style="list-style-type: none"> <li>- Director</li> </ul>	<ul style="list-style-type: none"> <li>- Regional director of Duval group in Toulouse</li> <li>- Elected (member of the finance committee) to the CCI in Toulouse on 26 November 2021</li> <li>- Senior Vice-Chair of the FPI Occitanie Toulouse Métropole since 2 December 2021</li> <li>- Member of MEDEF31</li> </ul>

<sup>1</sup> Mr. Michel Bouton resigned from his role as director during the Board of Directors meeting on 8 March 2022.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

### 3 - REMUNERATION POLICY ESTABLISHED BY THE BOARD OF DIRECTORS (ARTICLE L. 22-10-8 OF THE FRENCH CODE OF COMMERCE)

In accordance with articles L.22-10-8 and R.22-10-14 of the French Code of Commerce as amended by Order 2020-1142 of 16 September 2020 and Decree 2020-1742 of 29 December 2020, a description is provided in this section of the remuneration policy of the Company applicable to all officers for the period ending 31 December 2022.

As a reminder, Mr Pierre Saubot and Mr Alexandre Saubot received remuneration solely for their respective offices of Chair and Chief Executive Officer of Solem, a simplified French joint stock company (société par actions simplifiée) with share capital of €476,735.25 having its registered office at 187 Route de Saint Leu in Epinay-sur-Seine (93806) and registered in Bobigny (RCS No. 332 978 162) (hereafter "**Solem**"). Solem is the controlling company of the Company within the meaning of article L.233-16 of the French Code of Commerce.

Concerning directors, the Company's historic remuneration policy has been to not provide remuneration to the latter as board members. In particular, directors do not receive the remuneration referred to in articles L.225-45 and L.22-10-14 of the French Code of Commerce.

Consequently, officers of the Company do not receive any remuneration, in any form whatsoever (fixed, variable, exceptional or in shares) for the offices they hold within the Company. The officers of the Company do not benefit from any commitments made by the latter or by any company that it controls or that is controlled by it within the meaning of II and III of Article L. 233-16 of the French Code of Commerce, and the corresponding components of remuneration or benefits in connection with the termination or a change in function or subsequent thereto, or contingent rights granted pursuant to defined retirement benefit obligations meeting the characteristics of the plans mentioned in Articles L. 137-11 and L. 137-11-2 of the French social security Code.

In light of the above, the information referred to in paragraphs 4 - 6 and 8 of Article R.22-10-14, I and 1 - 4 and 7 of Article R.22-10-14, II of the French Code of Commerce are not applicable.

This officer remuneration policy is set in strict compliance with the Company's corporate interests and in reference to its commercial strategy. The Board of Directors considers that remuneration determined and set exclusively at the level of Solem makes it possible to provide fair remuneration to the officers concerned based on the parent company's larger scope of consolidation, by taking into account in particular the performance of not only the Company but also its sister companies and subsidiaries.

This remuneration policy of the Company is determined by the Board of Directors, acting on a proposal from the executive management. This remuneration policy is revised at least once a year at the time of the review of the annual accounts and, at any time during the financial year, at the initiative of the Board of Directors, should circumstances require.

The proposal from the executive management takes into account in particular the conditions of remuneration and employment of the Company's employees.

The implementation of the remuneration policy is verified at least once a year by the Board of Directors at the time of the review of the annual accounts.

The remuneration policy applies by operation of the law under the supervision of the Board of Directors to newly appointed corporate officers or those whose appointment has been renewed.

In order to prevent conflicts of interest in connection with the determination, revision and implementation of the remuneration policy, the Board of Directors has appointed two independent directors as defined by the Middenext corporate governance code. In addition, the Board of Directors' charter includes a procedure for preventing and monitoring conflicts of interest.

The length of directors' terms of office is presented in section 1.1.5 of this report. In addition, it is noted that on the date of this special report, there exists no employment contract or service agreement contract has been entered into directly between an officer and the Company. With respect to intragroup service agreements entered into between Solem and the Company, please refer to the Auditors' special report on regulated agreements prepared in accordance with Article L. 225-40 of the French Code of Commerce.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

This remuneration policy:

- has been approved by the general meeting of shareholders on 24 May 2022 (seventh resolution) in accordance with article L.22-10-8 II of the Code of Commerce with over 94% of the votes in favour of the latter. Such a vote legitimizes the remuneration policy for the company's officers as drawn up by the Board of Directors;
- shall be the subject of a draft resolution to be submitted for approval at the shareholders' general meeting to be held on 23 May 2023 in accordance with said article.

### 4 - REMUNERATION OF OFFICERS PAID IN THE PERIOD ENDED 31 DECEMBER 2022

For the purpose of complying with the provisions of Article L.22-10-9 of the French Code of Commerce (as amended pursuant to Order 2020-1142 of 16 September 2020 and Decree 2020-1742 of 29 December 2020), information required thereunder is presented in this section for each officer.

In application of Article L.22-10-34 of the French Code of Commerce (as amended pursuant to Order 2020-1142 of 16 September 2020 and Decree 2020-1742 of 29 December 2020), it is hereby requested that you vote on a draft resolution concerning the information referred to in Article L. 22-10-9 of the French Code of Commerce and, on the other hand, to vote by means of distinct resolutions on the fixed, variable or exceptional components making up the total remuneration and benefits of any nature paid in or granted for the period ended for the Chairman-CEO and Deputy CEO.

The tables presented below were prepared in reference to the Middlednext code of corporate governance in the September 2021 version. Any heading not included in the following tables in relation to the table templates proposed by the MiddleNext Code corporate governance is considered as not applicable.

#### • Table 1: Summary of remuneration for each executive officer

Mr Pierre Saubot Chairman and CEO	Financial year ended 31 December 2021		Financial year ended 31 December 2022	
	Amounts paid (Gross base remuneration before tax)	Percentage relative to the fixed and variable remuneration	Amounts paid (Gross base remuneration before tax)	Percentage relative to the fixed and variable remuneration
Fixed annual remuneration paid by Solem for the office of chief executive officer exercised within this company	91.773,11 €	100%	91.773,11 €	100%
Variable annual remuneration paid by Solem <sup>1</sup> for the office of chief executive officer exercised within this company	0€	0%	0€	0%
<b>TOTAL</b>	<b>91.773,11€</b>	<b>100%</b>	<b>91.773,11€</b>	<b>100%</b>
Mr Alexandre Saubot Deputy Chief Executive Officer	Financial year ended 31 December 2021		Financial year ended 31 December 2022	
	Amounts paid (Gross base remuneration before tax)	Percentage relative to the fixed and variable remuneration	Amounts paid (Gross base remuneration before tax)	Percentage relative to the fixed and variable remuneration
Fixed annual remuneration paid by Solem for the office of chairman exercised within this company	346.698,11€	78%	358.696 €	70,51%
Variable annual remuneration paid by Solem for the office of chairman exercised within this company	95.000 €	22%	150.000 €	29,49%
<b>TOTAL</b>	<b>441.698,11 €</b>	<b>100%</b>	<b>508.696 €</b>	<b>100%</b>

<sup>1</sup> The criteria used to calculate the amount of variable annual remuneration to be paid is set each year by Solem in reference to the quality of and improvements to the results of Haulotte Group, as presented in the consolidated financial statements of Solem, for the previous financial year.



# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

• Table 2: Other remuneration received by non-executive officers

Mr José Monfront Director	Financial year ended 31 December 2021	Financial year ended 31 December 2022
	Amounts paid (Gross base remuneration before tax)	Amounts paid (Gross base remuneration before tax)
None	None	None
<b>TOTAL</b>	<b>None</b>	<b>None</b>

Mr Michel Bouton Director	Financial year ended 31 December 2021	Financial year ended 31 December 2022
	Amounts paid (Gross base remuneration before tax)	Amounts paid (Gross base remuneration before tax)
None	None	None
<b>TOTAL</b>	<b>None</b>	<b>None</b>

Ms Anne Danis-Fatôme Director	Financial year ended 31 December 2021	Financial year ended 31 December 2022
	Amounts paid (Gross base remuneration before tax)	Amounts paid (Gross base remuneration before tax)
None	None	None
<b>TOTAL</b>	<b>None</b>	<b>None</b>

Ms Elodie Galko Director	Financial year ended 31 December 2021	Financial year ended 31 December 2022
	Amounts paid (Gross base remuneration before tax)	Amounts paid (Gross base remuneration before tax)
None	None	None
<b>TOTAL</b>	<b>None</b>	<b>None</b>

Ms Elisa Savary Director	Financial year ended 31 December 2021	Financial year ended 31 December 2022
	Amounts paid (Gross base remuneration before tax)	Amounts paid (Gross base remuneration before tax)
None	None	None
<b>TOTAL</b>	<b>None</b>	<b>None</b>

Mr Hadrien Saubot Director	Financial year ended 31 December 2021	Financial year ended 31 December 2022
	Amounts paid (Gross base remuneration before tax)	Amounts paid (Gross base remuneration before tax)
None	None	None
<b>TOTAL</b>	<b>None</b>	<b>None</b>

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

### • Table 3: Other indemnities or benefits granted to corporate officers

The following table provides details on the remuneration and benefits of company officers:

Corporate officers	Employment contract		Supplemental retirement scheme		remuneration or benefits owed or potentially due upon termination or a change in function		Payments relating to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
<p><b>Pierre Saubot</b> <b>Chair and Chief Executive Officer</b> Beginning of the renewed term of office: 13/03/2018</p> <p>End of appointment: At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2023</p>								
<p><b>Director</b> Beginning of the renewed term of office: 29/05/2018 End of appointment: At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2023</p>		X		X		X		X
<p><b>Alexandre Saubot</b> <b>Deputy Chief Executive Officer</b> Beginning of the renewed term of office: 08/03/2022 End of appointment: At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2027</p>		X		X		X		X
<p><b>Director</b> Beginning of the renewed term of office: 24/05/2022 End of appointment: At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2027</p>		X		X		X		X
<p><b>Elisa Savary</b> <b>Director</b> Beginning of the renewed term of office: 24/05/2022 End of appointment: At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2027</p>		X		X		X		X
<p><b>Hadrien Saubot</b> <b>Director</b> Beginning of the renewed term of office: 24/05/2022 End of appointment: At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2027</p>		X		X		X		X
<p><b>José Monfront</b> <b>Director</b> Beginning of the renewed term of office: 24/05/2022 End of appointment: At the close of the general meeting called to approve the financial statements for the year ending on 31 December 2027</p>		X		X		X		X

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

Corporate officers	Employment contract	Supplemental retirement scheme	remuneration or benefits owed or potentially due upon termination or a change in function	Payments relating to a non-competition clause
<b>Michel Bouton</b> <b>Director</b> Beginning of the renewed term of office: 24/05/2016 End of appointment: 8 March 2022	X	X	X	X
<b>Anne Danis-Fatôme</b> Beginning of term of office: 29/05/2018 End of appointment: At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2023	X	X	X	X
<b>Elodie Galko</b> Beginning of term of office: 29/05/2018 End of appointment: At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2023	X	X	X	X

- **Ratio between the level of remuneration of the Chair-CEO and Deputy CEO and, 1) the average remuneration on a full-time equivalent basis of employees of the Company other than the corporate officers, and 2) the median remuneration on a full-time equivalent basis of employees of the company other than corporate officers**

	Financial year ended 31 December 2022	
	Pierre Saubot Chair and chief executive officer	Alexandre Saubot Deputy Chief Executive Officer
Ratio between the remuneration of the corporate officer concerned and the average remuneration of employees on a full-time equivalent basis	2,08	11,55
Ratio between the remuneration of the corporate officer concerned and the median remuneration of employees on a full-time equivalent basis	2,53	14,01
Ratio between the remuneration of the corporate officer concerned and the minimum wage	4,65	25,76

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

- Changes in annual remuneration, performances of the Company, average remuneration of employees of the Company on a full-time equivalent basis, other than executive officers, and the above ratios, over the last five years

Financial year	31/12/2018		31/12/2019		31/12/2020		31/12/2021		31/12/2022	
	Pierre Saubot	Alexandre Saubot	Pierre Saubot	Alexandre Saubot	Pierre Saubot	Alexandre Saubot	Pierre Saubot	Alexandre Saubot	Pierre Saubot	Alexandre Saubot
Corporate offices concerned:										
Total gross remuneration received within Solem	91 374,00 €	428 060,00 €	91 006,00 €	436,055,00 €	92.123,11 €	440.829,77 €	91.773,11 €	441.698,89 €	91.773,11 €	508.696 €
Change in remuneration between N-1 and N	3,68%	4,78%	-0,40%	1,87%	1,23%	1,10%	-0,38%	0,20%	0,%	15,17%
Average remuneration of HGSA employees (full-time, excluding senior executives, gross amount)	42 551,00 €		42 932,00 €		41.993,00€		43.473,00€		44.027,00€	
Change in the average remuneration of employees between N-1 and N	3,63%		0,90%		-2,19%		3,52%		1,27%	
Median remuneration of HGSA employees (full-time, excluding senior executives, gross amount)	33 785,00 €		33 822,00 €		34.743,00€		35.257,00€		36.321,00€	
Change in the median remuneration of employees between N-1 and N	2,73%		0,11%		2,72%		1,48%		3,02%	
Amount of the minimum wage	17 981,64 €		18 254,64 €		18.473,04€		18.654,96€		19.744,27€	
Change in the minimum wage between N-1 and N	1,23%		1,52%		1,20%		0,98%		5,84%	
Ratio between the remuneration and the average remuneration paid to HGSA employees	2,15	10,06	2,12	10,16	2,19	10,50	2,11	10,16	2,08	11,55
Change in ratio between N-1 and N	0,05%	1,11%	-1,29%	0,96%	3,49%	3,36%	-3,77%	-3,21%	-1,26%	-13,72%
Ratio between the remuneration and the median remuneration paid to HGSA employees	2,70	12,67	2,69	12,89	2,65	12,69	2,60	12,53	2,53	14,01
Change in ratio between N-1 and N	0,93%	2,00%	-0,51%	1,76%	-1,46%	-1,58%	-1,83%	-1,26%	-2,93%	11,79%
Ratio between the remuneration and the minimum wage	5,08	23,81	4,99	23,89	4,99	23,86	4,92	23,68	4,65	25,76
Change in ratio between N-1 and N	2,42%	3,51%	-1,89%	0,34%	0,03%	-0,10%	-1,35%	-0,78%	-5,52%	8,81%
Indicators of the Company's performance (on a consolidated basis)										
EBIT (current operating income)	35 600 000,00 €		35 900 000,00 €		11 004 000,00 €		17 598 000,00€		-2 933 000,00€	
Change in EBIT between N-1 and N	-16,04%		0,84%		-69,35%		59,92%		N/A	
Revenue excl. VAT	555 900 000,00 €		609 800 000,00 €		438 544 000,00 €		497 272 000,00 €		608 247 000,00 €	
Change in revenue excl. VAT between N-1 and N	11,31%		9,70%		-28,08%		13,39%		22,32%	

### Note on methodology:

- Procedures for calculation of ratios referred to in article L.22-10-9 6 of the French Code of Commerce:
  - Numerator: total remuneration based on the gross pre-tax remuneration received by the Chairman & CEO (or the Deputy CEO) within Solem in the absence of remuneration received within the Company.
  - Denominator: average remuneration.

For average remuneration, the Company has calculated the average remuneration of employees of the Company on an equivalent full-time basis.

For median remuneration, the Company has calculated the median remuneration of employees of the Company on an equivalent full-time basis.

- Scope of employees concerned: Within the meaning of article L.22-10-9 6 of the French Code of Commerce, only employees of the Company, on a non-consolidated basis, i.e. at 31 December 2022, 635 employees (so 36.45% of Group employees based on the consolidated accounts at 31 December 2022).

- Performance indicators selected in accordance with Article L.22-10-9 7 of the French Code of Commerce.

As indicators of performance, the Company has selected revenue and current operating income (EBIT) as these aggregates are presented in the consolidated financial statements of the Company for the last five years.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

### 5 - AGREEMENTS COVERED BY ARTICLE L.225-37-4 2 OF THE FRENCH CODE OF COMMERCE

For the purpose of complying with the provisions of article L.225-37-4 2 of the French Code of Commerce, we remind you that this report must mention, except for ordinary agreements entered into under normal conditions, those agreements entered into either directly or through a third party, between:

- on the one hand, one of the directors or shareholders possessing more than 10% of the voting rights of a company,
- and, on the other hand, another company controlled by the first within the meaning of article L.233-3 of the French Code of Commerce.

No agreements of this type were entered into in the period ended 31 December 2022.

### 6 - PROCEDURES IMPLEMENTED BY THE BOARD OF DIRECTORS IN APPLICATION OF ARTICLE L.22-10-12 OF THE FRENCH CODE OF COMMERCE

To comply with article L.22-10-10, 6 of the French Code of Commerce, we remind you that the Board of Directors implemented a procedure serving to regularly assess if the ordinary agreements entered into under normal conditions properly fulfil these conditions.

A method for identifying financial flows between Group companies has already been adopted by the Finance Division, notably in connection with the transfer pricing policy.

To supplement this method, the Finance Division and Legal Division developed the following procedure to be applied once a year when the annual financial statements are reviewed.

- Identification of all ordinary agreements entered into under normal conditions which remain applicable, or newly entered into during the period under review;
- A summary of their main terms and conditions and features;
- A presentation of all agreements to the Board of Directors to be convened in order to approve the annual financial statements in order to determine if these agreements continue to meet the criteria of ordinary agreements entered into under normal conditions. Persons directly or indirectly concerned by an agreement do not participate in its evaluation.

### 7 - ITEMS HAVING A POTENTIAL IMPACT IN THE EVENT OF PUBLIC OFFERINGS

In application of article L.22-10-11 of the French Code of Commerce, we report to you on those items which we consider likely to have an impact in the case of a public takeover bid or exchange offer.

#### 7.1 Shareholder base

On 31 December 2022, the share capital and voting rights of the Company were majority-held by Solem that is itself held by the Saubot family.

We invite you to refer to part 3 of the Board of Directors' management report which this report forms part of.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

### **7.2 Restrictions under the Articles of Association on the exercise of voting rights and the transfer of shares or the provisions of agreements reported to the company in compliance with article L.233-11 of the French Code of Commerce**

Article 9 (Transfer and transmission of shares) of the Company's articles of association, provides that legal entities or natural persons that acquire or cease to hold an amount equal to 1% of the share capital or the voting rights or any multiple thereof, must notify the company within fifteen days of crossing such thresholds.

Under its Articles of Association, if the company has not been thus notified, shares that exceed the amount to be reported under this disclosure requirement shall be deprived of voting rights at the request of one or more shareholders holding 5% of the share capital (with such request recorded in the minutes of the General Meeting).

### **7.3 List of direct or indirect shareholdings in the Company's capital of which it has knowledge by virtue of articles L.233-7 and L.233-12 of the French Code of Commerce**

We invite you to refer to part 3 of the Board of Directors' management report to which this report is attached.

### **7.4 Holders of shares conferring special control rights and description thereof**

All shares of the Company confer upon shareholders a right to participate in shareholders' meetings under the conditions and subject to the provision provided for by law and regulations.

Shares shall confer a right to a percentage of the company's assets, the distribution of earnings and proceeds after liquidation, equal to the proportion of the share capital they represent.

In accordance with article 16 of the articles of association, a double voting right is granted to all fully paid-up shares in proportion to the capital they represent subject to proof that they have been registered for at least four (4) years in the name of the same shareholder.

This right is also granted pursuant to the capitalisation of reserves, earnings or additional paid-in capital to free registered shares granted on the basis of existing shares entitled to the same right.

### **7.5 Powers of the Board of Directors, in particular for the issuance or repurchasing of shares**

In application of article L.22-10-11.8, we invite you to refer to part 3 of the Board of Directors' management report to which this report is attached as well as the table summarising the delegations of authority and powers granted to the Board of Directors by the shareholders' general meeting.

### **7.6 Agreements entered into by the Company which are modified or terminated in the event of a change of control of the Company**

In application of article L.22-10-11.9, we inform you that agreements have been entered into by the Company containing clauses in the event of a change in control, and notably in the case of contracts entered into with certain service providers or financial institutions.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

### 8 - SUMMARY OF DELEGATIONS OF AUTHORITY IN FORCE GRANTED BY THE GENERAL MEETING OF SHAREHOLDERS TO THE BOARD OF DIRECTORS FOR CAPITAL INCREASES IN COMPLIANCE WITH ARTICLES L.225-129-1 AND L.225-129-2

To this report is attached, in accordance with the provisions of article L.225-37-4, 3 of the French Code of Commerce, a table of delegations of authority in force granted by the general meeting of the shareholders relating to capital increases, in application of articles L.225-129-1 and L.225-129-2, and indicating the uses made thereof in the period.

Nature of the delegation of authority or powers granted to the Board of Directors by the Company in accordance with article L.225-129-1 and L.225-129-2 of the French Code of Commerce	Date of General Meeting	Length of validity	Maximum nominal amount of capital increases which may be carried out immediately and/or in the future (excluding issuances of debt securities)	Capital increase(s) carried out in the period ended 31 December 2022	Residual amounts at 31 December 2022
Delegation of authority granted to the Board of Directors to increase the share capital of the company through the incorporation of premiums, reserves, profits or other	24/05/2022  22 <sup>nd</sup> resolution	26 months	The maximum nominal amount of capital increases that may be carried out, immediately or in the future, cannot exceed <b>€1,500,000</b> , to which may be added, as necessary, an additional amount to preserve, in accordance with statute or regulations and, as necessary, applicable contractual provisions, the rights of holders of securities or other rights conferring entitlement to shares, whereby it is specified that this maximum amount is set independently and separately from the maximum amount set by the twenty-first resolution adopted at the general meeting.	None	Identical to the maximum nominal value
Grant of authority to the Board of Directors in application of article L.225-197-1 to L.225-197-6 of the French Code of Commerce to proceed with the free allocation of existing shares or to issue profits to all or part of the employees and/ or the company officers as per article L.225-197-1 of the French Code of Commerce	24/05/2022  20 <sup>th</sup> resolution	38 months	The total number of shares likely to be allocated freely by the Board cannot exceed 1% of the existing share capital on the date of the decision to allocate them, whereby it is specified that the amount of the capital increase corresponding to the shares issued with a view to their free allocation shall be deducted from the overall maximum amount provided for in the twenty-first resolution adopted by the said general meeting.	None	Total number of shares to be issued identical to that on date of 24/05/2022

\* Under the terms of the twenty-first resolution submitted for approval to the combined general meeting of 24 May 2022:

- the maximum aggregate par value of the capital increases that may be carried out under the delegations of authority granted under (i) the fourteenth to sixteenth resolutions adopted by the Combined General Meeting of 25 May 2021 and (ii) the nineteenth and twentieth resolutions above, shall be set at €1,200,000 (or the equivalent value on the date of issue of this amount in a foreign currency or in a unit of account established by reference to several currencies), it being specified that the additional amount of shares to be issued to preserve, in accordance with the law and, where applicable, with the applicable contractual provisions, the rights of holders of securities and other rights giving access to shares, shall be added to this maximum amount,
- the maximum aggregate nominal amount of the debt securities that may be issued under the delegations granted under (i) the fourteenth to sixteenth resolutions adopted by the Combined General Meeting of 25 May 2021 is set at €20,000,000 (or the equivalent value on the date of issue of this amount in a foreign currency or in a unit of account established by reference to several currencies), it being specified that this maximum amount shall not apply to debt securities the issue of which is decided or authorized by the Board of Directors in accordance with article L.228-40 of the French Commercial Code.

# MANAGEMENT REPORT

**ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022**

## **APPENDIX 3 - SPECIAL REPORT ON THE ALLOCATION OF FREE SHARES PRESENTED TO THE ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 23 MAY 2023 (ARTICLE L. 225-197-4 OF THE FRENCH Code of Commerce)**

To the shareholders:

We hereby inform you that the authorizations granted by the Extraordinary General Meeting of 26 May 2020, under its thirteenth resolution, and by the Extraordinary General Meeting of 24 May 2022, under its twentieth resolution (having rendered null and void the authorization previously granted by the General Meeting of 26 May 2020, under its thirteenth resolution having the same purpose) have not been used to date.





